Before the
ENERGY AND TECHNOLOGY COMMITTEE
Connecticut General Assembly
Hartford, Connecticut

March 15, 2011

COMMENTS OF THE
CONSUMER ELECTRONICS ASSOCIATION
ON

S.B. No. 1 - Oppose

The Consumer Electronics Association (CEA) represents more than 2,000 companies, including many companies in Connecticut, involved in the design, development, manufacturing, distribution and integration of audio, video, in-vehicle electronics, wireless and landline communications, information technology, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels. CEA members design, make, sell and install consumer audio and video equipment, televisions and other high tech products which could be impacted by **Senate Bill 1** or similar legislation.

CEA's concerns are focused on four provisions in the current version of SB 1:

1. Compact audio products;
2. DVD players and recorders;
3. Televisions; and
4. Requirements for the State of Connecticut to impose future regulations.

CEA and the consumer electronics industry are already supporting and advancing energy efficiency in TVs and other audio/video products in several important ways.

- Updated standard test procedures. Industry developed a new international standard test procedure for measuring power consumption by today's digital TVs. This was an important building block for the new ENERGY STAR specifications for TVs and also for the new energy use labeling requirements for TVs explained below.

- First-ever energy use disclosures. CEA supports energy use disclosures for electronics and contributed to the U.S. Federal Trade Commission's new EnergyGuide labeling program for TVs, which begins this spring. At the point of sale, consumers soon will be able to find information about the annual cost of powering a TV and how a particular TV model compares to others. (Even the largest TVs, if viewed five hours a day, use less

than two dollars of electricity per week on average, and many consume less power than a 100-watt light bulb.)

- Successful national programs. CEA and its members are strong supporters of the U.S. Environmental Protection Agency's (EPA's) ENERGY STAR program, a voluntary program begun in 1992 which has been highly successful in driving down power consumption in TVs and other electronics.

- New research and analysis. CEA has produced and made publicly available leading studies examining power consumption in a wide range of consumer electronics product categories, including TVs. This research is available at www.ce.org/energy.

- Information for consumers. In addition to supporting the energy use labeling initiative mentioned above, CEA has developed energy-saving tips for consumers using electronics at home and at work.

- Awards and recognition. CEA, which owns and produces the annual International CES trade show in Las Vegas, developed an eco-design award as part of the show's Innovations Design and Engineering Awards program. A TV model that combined eco-design with superior performance was one of the 2011 Innovations Honorees.

Voluntary programs such as ENERGY STAR work best and have had a dramatic impact on energy savings for TVs and other electronics.

The downward trend in TV power consumption during the past several years is directly attributable to the success of the voluntary, market-oriented and consumer-supported ENERGY STAR program in combination with technological innovation and intense competition by manufacturers. The static regulations and artificial energy use limits proposed in SB 1 are simply unnecessary.

As described in the EPA's latest annual report, the ENERGY STAR program for electronics has been extremely effective in advancing energy efficiency across all major categories of consumer electronics in a relatively short period of time, particularly for TVs. For electronics and especially TVs, the ENERGY STAR specifications are frequently revised and made more stringent based on the rapid pace of innovation and change in the consumer electronics market, as indicated in the table below.

ENERGY STAR Specification Achievements

Product Category	Year Introduced (and Revised)	Energy Savings	Status of Recent Revisions
Audio/Video	**1999 (2003, 2009, 2010)**	**60%**	**Revised specification to take effect March 30, 2012.**
Monitors/Displays	1992 (1995, 1998, 1999, 2005, 2008, 2009)	20%	Revised specification took effect October 30, 2009 for displays under 30 inches. Revised specification took effect January 30, 2010 for displays between 30 and 60 inches.
Televisions	**1998 (2002, 2004, 2005, 2008, 2009, 2010)**	**40%**	**Revised specification to take effect September 2011.**
Set-top Boxes	2001 (2005, 2008)	30%	In progress, expected to be completed in 2011.

Source: ENERGY STAR and Other Climate Protection Partnerships Annual Report 2009 (December 2010).

In addition, electronics represent a large share of activity (21 product categories, 68 new and revised specifications) within the ENERGY STAR program with **18 specification updates in the last three years alone**, according to the U.S. EPA.

New ENERGY STAR limits for televisions are already scheduled to take effect this year.

On March 9, 2011, the EPA announced completion of updates to the ENERGY STAR requirements for televisions and cable and satellite boxes. Effective in September 2011, these products must be 40 percent more efficient than conventional models in order to qualify for the ENERGY STAR label. The updates are the first of more than 20 revisions to product requirements the ENERGY STAR program is expected to complete this year.

As EPA recently stated, the new ENERGY STAR television requirements "reflect an acceleration of pending changes made possible by a rapid market response to the current ENERGY STAR requirements." It is clear that sustained consumer demand and strong retailer support for the program continue to drive sales of ENERGY STAR-qualified televisions without the need for government regulation or artificial limits imposed by states.

According to EPA, if all televisions, cable and satellite boxes in the U.S. were to meet the new ENERGY STAR requirements, consumer energy cost savings would grow to more than $5 billion each year and reduce annual greenhouse gas emissions equal to those of more than 7 million cars.

SB 1 could impede future innovation and product efficiency.

By placing artificial limits on the future energy use of televisions, SB 1 risks foreclosing innovation in TVs and other audio/video products that consumers are demanding. Looking back at the developments in TVs in just the past couple of years suggests that TVs of the future, like many other electronics, are likely to be very different from what we see today. Subjecting all TV display technologies to a "one size fits all" performance standard ignores that television technologies are neither static nor monolithic. At a time when companies each are investing tens of millions of research dollars to develop new display technologies (such as OLED and 3D) and myriad improvements to existing display technologies, any attempt to impose mandatory limits on the technology of TVs can only harm progress in these vital economic and consumer interests.

SB 1 also could be counterproductive to saving energy in the long run. By imposing mandatory limits on the future power consumption of TVs and other audio/video products, SB 1 could set up obstacles to the natural energy-saving product convergence trends in TVs and related electronics. For example, energy use limits mandated for TVs could prevent TVs from efficiently incorporating the features and functions of separate energy-using devices (e.g. set-top boxes, video recorders, etc.) over time. In other words, an artificial energy use limit on TVs could lead to a less-efficient system of home theater products that need to be plugged in.

The basis for the TV-related provisions of SB 1 is technically and legally flawed.

Provisions in SB 1 concerning televisions are based on regulations adopted by the California Energy Commission (CEC). CEA, as well as a diverse coalition of stakeholders, opposed California's mandatory performance-based restrictions on TV energy consumption as detrimental to innovation, consumers, and industry. California's regulations (which were not approved or voted on by the state's legislature) were shown to be based on a stacked deck consisting of demonstrably false assumptions, admittedly stale and outmoded data, basic mathematical errors, and conceptual mistakes that both exaggerated the "problem" to be solved and grossly overestimated the potential energy savings.[1]

In addition, as demonstrated by stakeholders, the regulations mandated by the commission in California were completely unnecessary. Consumer electronics manufacturers already had dramatically reduced the amount of energy used by digital televisions –without costly regulations. Starting years before the CEC began investigating potential TV energy consumption regulations, consumer electronics manufacturers began developing and implementing improved

[1] For further information and details, please see public comments submitted to the California Energy Commission's docket, including comments by the Consumer Electronics Association dated November 2, 2009.

energy-saving digital TV technologies. As explained above, the key policy driver was the ENERGY STAR program.

New financial incentive programs have been developed with a focus on retailers.

Beyond the ENERGY STAR program, there are currently several voluntary programs that provide financial incentives for, or otherwise promote, energy efficient consumer electronics. These programs aim to reward retailers' and manufacturers' efforts to improve efficiency and increase awareness and market penetration of energy efficient TVs and other electronics. The Consortium for Energy Efficiency's (CEE's) *Consumer Electronics Program Summary* (available at www.cee1.org) describes these financial incentive programs, 22 of which promoted efficient electronics in 2010 across 14 states and 3 provinces. These programs promoted efficient televisions, computers, monitors, set-top boxes, and advanced power strips. The majority of these efficiency programs are promoting efficient electronics through partnerships with retailers and manufacturers.

According to CEE, many leading retailers are already working with these programs, including Best Buy, Costco, Kmart, Sears and Wal-Mart. Often, the efficiency programs use their funding to provide retail partners with financial incentives for the efficient electronics that they sell. For example, many of the efficiency programs described in CEE's program summary pay retailers between $4 and $30 per television sold that qualifies for ENERGY STAR Version 4 or 5. For computers and monitors, efficiency programs promote models that meet ENERGY STAR Version 5 using either a consumer rebate or retailer incentive. Other programs are providing similar support for efficient set-top boxes and energy management devices such as advanced power strips.

States have overwhelmingly rejected appliance efficiency standards for high tech consumer products.

State	*Bill No. (Year)*	*Mandatory standards and regulations for consumer audio and/or video products*
AZ	HB 2390 (2005)	Rejected
CT	HB 5523 (2006)	Rejected
HI	HB 3050 (2006), HB555 (2009),	Rejected
MD	SB 674 (2007), HB1238 (2009), SB 455 (2010), HB 349 (2010)	Rejected
MO	SB 433 (2009)	Rejected
MN	SB 656/HF 864 (2009)	Rejected
NJ	AB 1763/SB 1253 (2009)	Rejected

States have overwhelmingly rejected appliance efficiency standards for high tech consumer products. – *Continued*

NV	SB 242 (2009)	Rejected
NY	S 7363 (2010), A 9387 (2010)	Rejected
RI	SB 2844 (2006) & HB 7610 (2006)	Rejected
TN	HB 46/SB 827 (2007), HB 1709/SB 486 (2009)	Rejected
TX	SB 16 (2009), SB 12 (2007)	Rejected
VT	HB 253 (2006), H316 (2009)	Rejected
WA	HB 2758 (2008), HB1004 (2009), SB 6489	Rejected
WI	SB 450 (2010) & HB 649 (2010)	Rejected

SB 1 would weaken the criteria that the State of Connecticut must meet before mandating potentially burdensome and costly product regulations that impact local businesses and consumers.

In addition to the product-specific provisions of concern mentioned above, SB 1 also would effectively weaken existing law in the State of Connecticut with regard to future energy efficiency regulations on residential, commercial and industrial appliances and equipment, including a wide range of consumer products. Section (d)(3)(B) of the SB 1 would obligate Connecticut to follow another state's adopted regulation regardless of the impact of that regulation on Connecticut consumers and businesses, and regardless of whether any substantive or careful economic or technical analysis was conducted by that other state.

CEA respectfully urges you to oppose SB 1.

Thank you for the opportunity to provide testimony concerning SB 1. Please do not hesitate to contact us if you have questions or need further information.

Respectfully submitted,

CONSUMER ELECTRONICS ASSOCIATION

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